

Item #22
April 11, 2012
Energy Commission Business Meeting

Vehicle Buy-Down Incentive Reservations
Totaling \$2,604,000.00
for
Natural Gas and Propane Vehicles
(PON-11-603)

Tom's Truck Center, Inc. - OEM – Isuzu Commercial Truck of America, Inc.,
Nations Bus Corporation – OEM – Krystal Enterprises,
Nations Bus Corporation – OEM – Champion Bus, Inc.,
Daimler Trucks North America LLC,
West Coast Bus Sales, Inc. – OEM – Tiffany Coachworks Corporation, and
West Coast Bus Sales, Inc. – OEM – Federal Coach Corporation

On January 31, 2012, the Energy Commission released Program Opportunity Notice (PON) PON-11-603 that makes funding available from the Alternative and Renewable Fuel and Vehicle Technology Program established by Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007) for buy-down incentives for specific classes of natural gas and propane on-road vehicles. The buy-down incentives will reduce the high initial price of natural gas and propane vehicles to assist public and private fleets operators and individual consumers in making the decision to purchase vehicles powered by non-petroleum, lower-carbon, alternative fuels.

The buy-down incentives are available only for new on-road natural gas and propane vehicles that meet all emission requirements of the Air Resources Board and that are fully warranted by the original equipment manufacturer. Purchasers must register the eligible vehicle(s) in California and agree to operate the eligible vehicle(s) on the designated fuel in California (at least 90 percent of the time) for a period of 3 years. The buy-down incentives may be used in conjunction with vehicle purchase incentives available from other entities. Incentives are available at varying levels depending on the class of vehicle.

The PON is open to original equipment manufacturers (OEMs) on a first-come, first-served basis and the Energy Commission began accepting reservations on February 8, 2012. OEMs may designate California dealers and distributors to apply for the buy-down incentives on their behalf.

The incentive reservation and payment process is simple and efficient, designed to minimize staff workload and create an easy and transparent process for buying down vehicles. The OEM or designated dealer/distributor submits a reservation form and any

additional required documentation. These forms are screened for completeness and taken to the Commission for its approval to encumber the funds. Once approved, the applicant may begin selling eligible vehicles at a reduced price to reflect the incentive payment. Upon sale, the applicant submits a payment claim form and documents verifying the sale. Upon approval by the Commission Incentive Manager, the applicant receives a check for the incentive amount. The reservation terminates by its own terms after 120 days or when the incentives are expended, whichever occurs first.

The Chief Counsel's Office has reviewed this PON to determine what level of environmental review is necessary under the California Environmental Quality Act (CEQA) and recommends including a finding that the PON and incentives distributed under it are "not a project" and therefore not subject to environmental review.

- a. TOM'S TRUCK CENTER (OEM – Isuzu Commercial Truck of America, Inc.) (BDIR-11-33) in the amount of \$400,000 for the buy-down of 20 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight and greater .
- b. NATIONS BUS CORPORATION (OEM – Krystal Enterprises) (BDIR-11-34) in the amount of \$320,000 for the buy-down of 16 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight and greater.
- c. NATIONS BUS CORPORATION (OEM – Champion Bus, Inc) (BDIR-11-35) in the amount of \$280,000 for the buy-down of 14 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight and greater.
- d. DAIMLER TRUCKS NORTH AMERICA LLC, (BDIR-11-36), in the amount of \$884,000 for the buy-down of 34 natural gas vehicles of 26,001 pounds gross vehicle weight and greater (fuel tank capacity less than 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent).
- e. WEST COAST BUS SALES, INC. (OEM – Tiffany Coachworks Corporation) (BDIR-11-37), in the amount of \$80,000 for the buy-down of 10 natural gas vehicles 8,501 to 14,000 pounds gross vehicle weight and \$200,000 for the buy-down of 10 natural gas vehicles 14,001 to 26,000 pounds gross vehicle weight for a total reservation amount of \$280,000.
- f. WEST COAST BUS SALES, INC. (OEM – Federal Coach Corporation) (BDIR-11-38), in the amount of \$40,000 for the buy-down of 5 natural gas vehicles 8,501 to 14,000 pounds gross vehicle weight and \$400,000 for the buy-down of 20 natural gas vehicles 14,001 to 26,000 pounds gross vehicle weight for a total reservation amount of \$440,000.